

should be. We are simply saying that, just as there are some who might say: I don't think there should be any private sector involved in health care, it should all be public—and many people think that is not the right view, as I know my friend from Kentucky does—many of us think it is just as wrong to say it should only be the private sector. Let's see who does a better job. Let them compete in the marketplace.

My view is this: There has to be a level playing field. You cannot give the public option such advantages that it overwhelms the private sector. The proposal that I have made and that others are looking at—Senator BINGAMAN is one; my friends in the House, Congressmen WELCH and BRADY and MURPHY—is to try to make the playing field level. The government won't just keep pouring money into the public option. It sets it up and then it has to compete. If the private sector needs reserves—God forbid there is catastrophic illness everywhere—then so will the public option. I am certain those of us who are interested in a public option are very interested in suggestions as to how to make the playing field level. But make no mistake about it, the public option is a different model. The public option will not have to make a profit. That is about 10, 12 percent. That money will go to health care for the patients. The public option will not have to merchandise and advertise. That is often 20 percent. So right off the bat, the public option has the same level playing field but has 30 percent of its revenues that can go to patient health care.

My friends on the other side say: Well, the public option isn't very efficient; it doesn't give enough direction, and direction to the right person, to cure this disease but lets people go all over. Well, if it is not, it is not going to work.

You know, if I were designing a health care system, I would even look carefully at single payer. I believe we do need control mechanisms, and I think the insurance companies themselves, no matter how we try to regulate them, will figure out ways around them. That is almost their mandate because their goal is to maximize profit. There is nothing wrong with that. But we are not going to get single payer here. We know that. And we are probably not even going to get something called Medicare For All, which would be a much more pure system that would not be, frankly, a level playing field. But just as we have to compromise and move to the center a little bit to get something done, so do my colleagues on the other side of the aisle. Again, when they say no public option, it is the inverse of saying no private insurance companies. Let's see who does better in this exchange.

My view is this: The public option will have certain advantages. It won't have to make a profit, it won't have to advertise and merchandise. But on the other hand, it is going to have certain

responsibilities. When DICK DURBIN's friend from Springfield can't get insurance from a private company, the public option will be there, and that may be somewhat more expensive for them. Admittedly, we are going to try to pass laws to say the private insurance company has to keep DICK DURBIN's friend, the small businessman who is paying for his own insurance, without a huge increase in cost. But if you believe, as I do, and I think most Americans do, that the private insurance company is not going to embrace this and say: Gee, this is great, this is costing us a ton of money and we have to report earnings for our shareholders, and we will try to find ways—there will be an intention of not covering people like that, and the public option will step into the lurch.

So this is a different model, no question about it. It is not just another insurance company that happens to be public. But it will be a level playing field. There will be a playing field where the private insurance companies will be under certain rules and the public option plan will be under certain rules. If the private company has to leave reserves, the public company will have to leave reserves. No one is seeking to unlevel the playing field, but we are seeking to keep the insurance companies honest. A public option will bring in transparency. When we know what the public option has to pay, we will say: Why isn't the private insurer paying the same? A public option will keep the insurance company's feet to the fire.

That is why President Obama feels so strongly about it. He said so in his letter. My friend from Iowa, Senator GRASSLEY, said he is just being political. I don't think so. He knows the public option will work well. Maybe after 3 years, the public option fails and isn't needed. Fine. Fine. But I don't believe that will happen. But we are not going to, in the public option, just keep putting more and more government money in until it wipes out the insurance companies. That is not the intent. The intent is to have a robust market, such as we have in other States and some of the Federal systems, where many different plans compete, and one is a public option. There might also be co-ops, such as my friend from North Dakota has been advocating, but there will be plenty of private insurance companies.

I would say one other thing. My friends on the other side of the aisle say: Well, why can't we just have the private insurers compete and offer a whole lot of plans? We don't have that in the vast majority of States right now. We have a system where any private company can sell insurance. But in more than half our States—and I believe this statistic is right, but I will correct the record if it is not—the top two companies have more than 50 percent of the market. There is usually not unvarnished competition when you just leave it up to the private insurance companies but, rather, an oligop-

oly. And we all know what happens when there is not real competition: Price setting occurs. Price leadership is what the economists call it. Nobody tries to undercut on price. We have seen this with the oil industry, for instance, with our five big oil companies, and you don't get the kind of competition you would from a public option, even if there were only one or two insurance companies competing.

In conclusion, I would ask my colleagues on the other side of the aisle to, A, be openminded. We haven't said no this or no that. When you say no public option, you are saying we want to let the private insurance companies, under the guise of competition, run the show. And if you believe that will work, fine, but then you also should believe the public option won't be a threat to them. Some of us who are worried that, left to their own devices, the private insurance companies will not serve all or even most of the public as well as they should be served, are saying let there be the competitive advantage or the competition of a public option in a level playing field that has no particular built-in advantage but has a different model—no profit, no merchandising, no advertising, serve the patient first.

This debate will continue, but I would just say to my fellow Americans out there who might be listening to this, when you hear the other side say no public option, ask them: Then who is going to provide a check on the insurance companies? And do you believe the insurance companies, even with some government regulation, won't find their way out of the regulations or avoid the regulations or walk around them?

The ACTING PRESIDENT pro tempore. The Senator's time has expired.

Mr. SCHUMER. The debate will continue, Mr. President, and I appreciate the opportunity to address my colleagues.

The ACTING PRESIDENT pro tempore. The Republican whip.

Mr. KYL. Mr. President, I understand the time for morning business has now reverted to the Republican side; is that correct?

The ACTING PRESIDENT pro tempore. The Senator is correct.

HEALTH CARE

Mr. KYL. I thank the Chair.

Mr. President, I would like to address two subjects. The first is the subject my colleague from New York was just discussing, and that is what to do about health care issues we have in the United States. Specifically, I would like to refer to some comments that both he made and the assistant majority leader made this morning.

The first point I wish to make is that when the assistant majority leader came to the floor this morning and in effect said: Unless you agree with our solution, you don't believe there is a problem, that is a fallacy, of course. I